



*Debt from
Islamic
Perspective*

Introduction

Debt management is one of the tools in Islamic property management. Debt of the deceased must be settled first before the will and faraid matters are implemented. In this regard, all the 'ulama have agreed that debts should be given priority before wills and faraid (Jusoh, Awang & Yusoff, 2011). Islam is a comprehensive religion that covers all aspects in providing law and guidance with certain conditions including matters involving debts.

Definition of Debt

FROM AN ETYMOLOGICAL POINT OF VIEW, DEBT OR AL-QARD MEANS CUT. DEBT IS ALSO DEFINED AS LOANS AND PRICES OF GOODS. IN THIS CONTEXT, DEBT IS CONSIDERED AS FUTURE LIABILITY INCURRED ON A PERSON EITHER IN THE FORM OF MONEY OR OTHERS. IN TERMS OF TERMINOLOGY, DEBT REFERS TO THE GRANTING OF MITHLY PROPERTY BY AN INDIVIDUAL TO ANOTHER INDIVIDUAL WITH THE INTENTION THAT THE INDIVIDUAL WILL REPAY IT (ZAKARIA ET AL., 2012).

Based on Islamic perspective, debt is classified as one of the contracts in Islamic muamalah affairs that is required and seen as a practice of helping which is highly organized by Islam as long as it follows the Islamic path (Alidaniah, Ahmad & Noor, 2015). Tahir and Ahmad (2009) used the terms 'al-qard', 'al-dayn' and 'al-i'arah' to explain the concept of debt and loan. In essence, these three terms support the meaning of debt but there is a slight difference in the definition of al-qard of which debt not involving the exchange of trading and requires the return of other goods of similar or equal value (Tahir & Ahmad, 2009).

Concept of Debt based on Tasawur

The discussion of debt analysis in this study is based on the perspective of Tasawur. The basic elements of Tasawur are formed from three factors, namely Allah SWT as the creator, man as a creature and the universe as a creature (Hanapi, 2014). Furthermore, Al-Zyan (1982: 11-12) highlighted that the formation of Tasawur is based on the source of revelation of Allah SWT, the concept of ad-din (religion) which is inseparable from life and balance between material and spiritual aspects (Hanapi, 2014: 13). Tasawur is formed from Islamic epistemology which uses the Quran, Hadith, Ijmak and Qiyas as sources of references

Islam has given the obligation in debt, focusing on those who really need it but not for lavish expenses. In the Quran, the obligation of debt has been mentioned in Al-Baqarah verse 282, which means:

“Believers! Whenever you contract a debt from one another for a known term, commit it to writing.

Let a scribe write it down between you justly, and the scribe may not refuse to write it down according to what Allah has taught him; so let him write, and let the debtor dictate; and let him fear Allah, his Lord, and curtail no part of it.

Debtors

Based on the debt concept in Tasawur, those who should be in debt are known as Al-Gharimi (al-Qardawi, 2002). Al-Gharimin is divided into two types, namely indebted person for own needs and indebted person for helping those in distress and desperation. According to Imam al-Syatibi, every individual should take care of life, religion, intellect, property and lineage (Razak & Dali, 2012). In addition, the indebted individual must not own property at a sufficient rate (kifayah limit).

The basic requirements taken into account in determining the kifayah limit covers several aspects, for example the Selangor Zakat Board takes into account six aspects, such as protection, food, clothing, medicine, education and transportation. This also means that borrowers of the National Higher Education Fund Loan (PTPTN) having no source of funds to settle their education loans can be included in al-Gharimin group (Tahir & Yusof, 2014). It is certain that those who are allowed to be in debt are those who bear burden, poor and affected by disasters which could help them surviving (Rahim, Sulaiman & Razzak, 2012).

Purpose of Debtors and Creditors

From the context of human relationship with Allah SWT (hablumunallah), creditors should ease the burden of individuals who are in need and must not take advantage on the difficulties faced by the debtors for the sake of seeking special reward from Allah SWT. This is in line with the main principle of the debt concept in Islam, which is ta'awun (helping) fellow individuals who are in trouble (Sulaiman, 2011).

The above hadith clearly describes the advantages of individuals who can relieve the hardships of other individuals by giving debts, and creditors should ensure the purpose of the debtor must not be contrary to Islamic law. The law of giving debts to the debtors will be makruh if the debts given are for lavish life (Rahim, Sulaiman & Razzak, 2012). In addition, the purpose of performing a debt contract must be in line with Islamic law. Therefore, debt should meet the needs of life in line with the demands of Allah SWT, and debt should be made to aid others achieve the pleasure of Allah SWT. In addition, the purpose of borrowing and giving debts should be based on the importance of maqasid syariah, namely din (religion), nafs (soul), nasl (lineage), mal (property) and aql (intellect).

Obligation on Paying off Debts

The obligation to pay off debts involves the relationships between God and human (habluminnallah) and human and human and natural resources (habluminannas). In Islam, debt repayment is compulsory and it is the responsibility of the debtor to pay off his debt according to a predetermined period. If the debtor fails to pay off the debt, it will lead to hatred and humiliation and thus affect society if good relationship among human is not maintained due to debt. A moralize debtor will always keep his promise as such attitude is one of the traits of siddiq (true). In fact, Islam requires the heir of the debtor to pay off the debtor's debt if the debtor passed away. Hence, it is crucial to pay off debt while still alive.

Furthermore, the debtor who dies before paying off his debt during his lifetime, the debt must be settled using the property he left before distributing it to his heirs. Rasulullah SAW always keeps his promise while paying off his debts and never once postponed payment since before he was appointed as the Messenger. According to the above sentence, Allah SWT stated that, if the creditors donate all or half of his/her debts it is much better to know that a big reward will be gained to the creditors.



The Principle of Consumerism in Islam

TRUTH OR RIGHT

This principle will allow the consumerism must get the blessing from Allah SWT (zat), is the way or reason of that consumerism. Same goes to halal product will be non-halal if the usage of that product is contradict from the syarak and not the intention to Allah SWT because the usage of that product is not based on the right. The main reason is truth or right only for the God of Allah SWT.

CLEANLINESS OR PURIFYING

This principle is stressed on the clean, purifying of product usage, good, usable and can be eaten (if there is food). The non-halal, dirty, mixed with excrement, bad or stink with stale are categorized as a dangerous products and cannot be used or eaten. Gold and silk are also not allowed to be worn by men. Gold and silver also cannot be used as a food container.

The Principle of Consumerism in Islam

MODERATION

This principle is stressed on the moderation of usage and expenses and not be overwhelming and can manage the needs. The usage of overwhelming is not a good behaviour and it refer to israf (extravagant) and tabthir.

SPIRITUAL AND MORAL

This principle is stressed on the ethics concepts, politeness and have a good behaviour by excluding the bad manners. Every person must always be thankful to the God, zikr and think before use something and always be patience in using the products.

BENEFITS

This principle is stressed on the gift from the God which is Allah SWT which is halal of the product usage and it is benefit to the society. The usage of non-halal products is allowed for dharurat (if there is threaten of our life) but must not too outrageous.



The Concept of Debt in Islam

A debt is one of the functions need to implemented in economy. The allocation and pattern of the expenses of is influence by the types of products and the power of buying by consumers. The importance of debt in social and economy is needed by Islam. Rationally, this principle is applied in Islam as a debt is not to be used as an issue and spread by the Muslim itself. In the concept of Islam consumerism, it forms and follows by the 'tasawur' that depends on the epistemology in using of Al-Quran, Hadith, Lima' Ulama and Qias as a references.



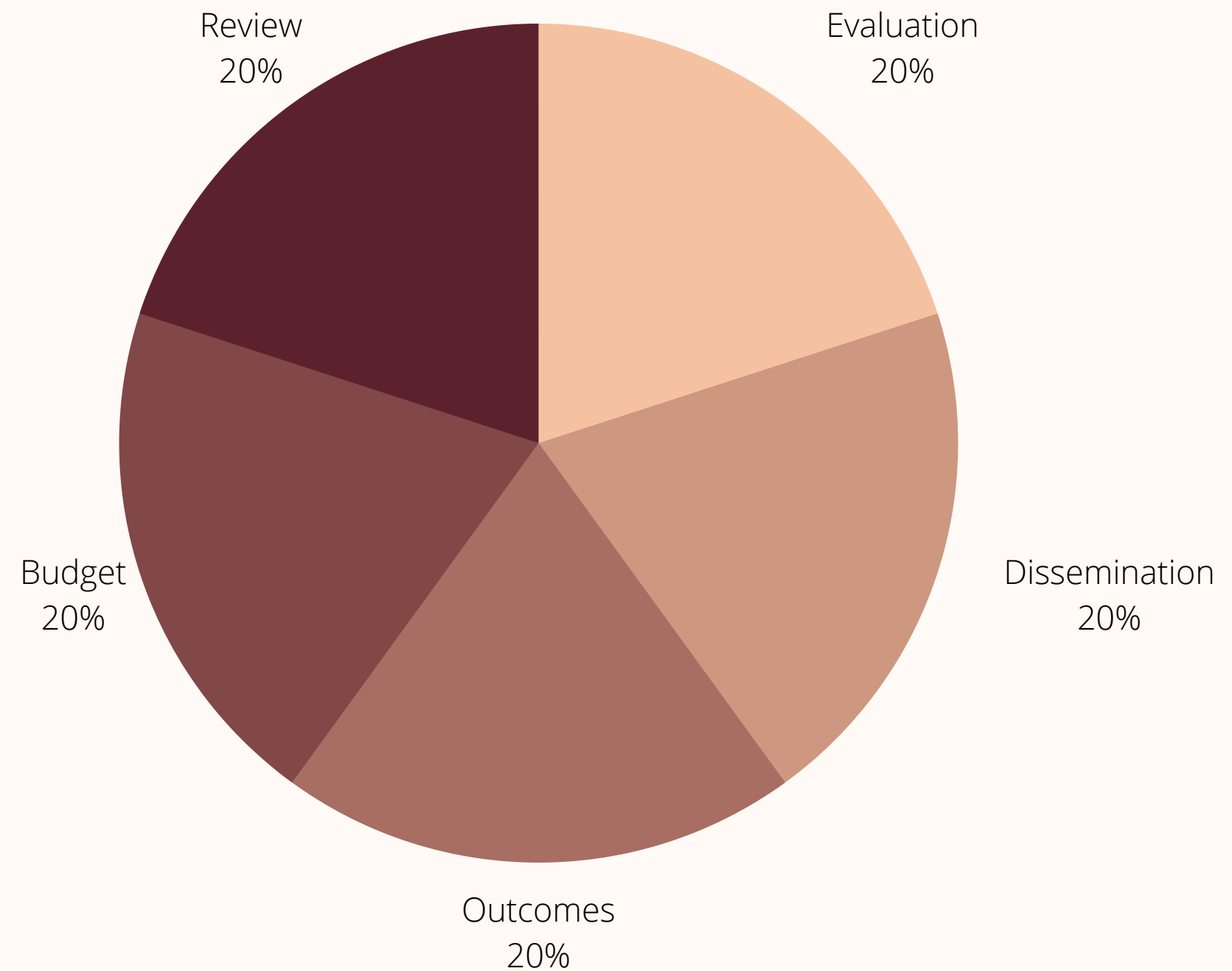
Needs and Purposes of Creditors and Debtors

Other than that, the concept of debt in Islam consumerism also look at to the need and purpose of debtors and creditors. All the intention must via Allah SWT. The need and purpose of debtors and creditors must be under the general principle of the usage. The principle must be under Islam measure. For example, the creditors give a debt to put the trust of hereafter. With the measurement the day of hereafter, the creditors will give debts not only for rewards to the debtors but give debts with the concept of ta'awun to get the rewards from Allah SWT. In that reason, the creditors need a debt, must be reasoned to get the products with the permission from Allah SWT. The pure/good products must give benefits to ourselves and to the society.



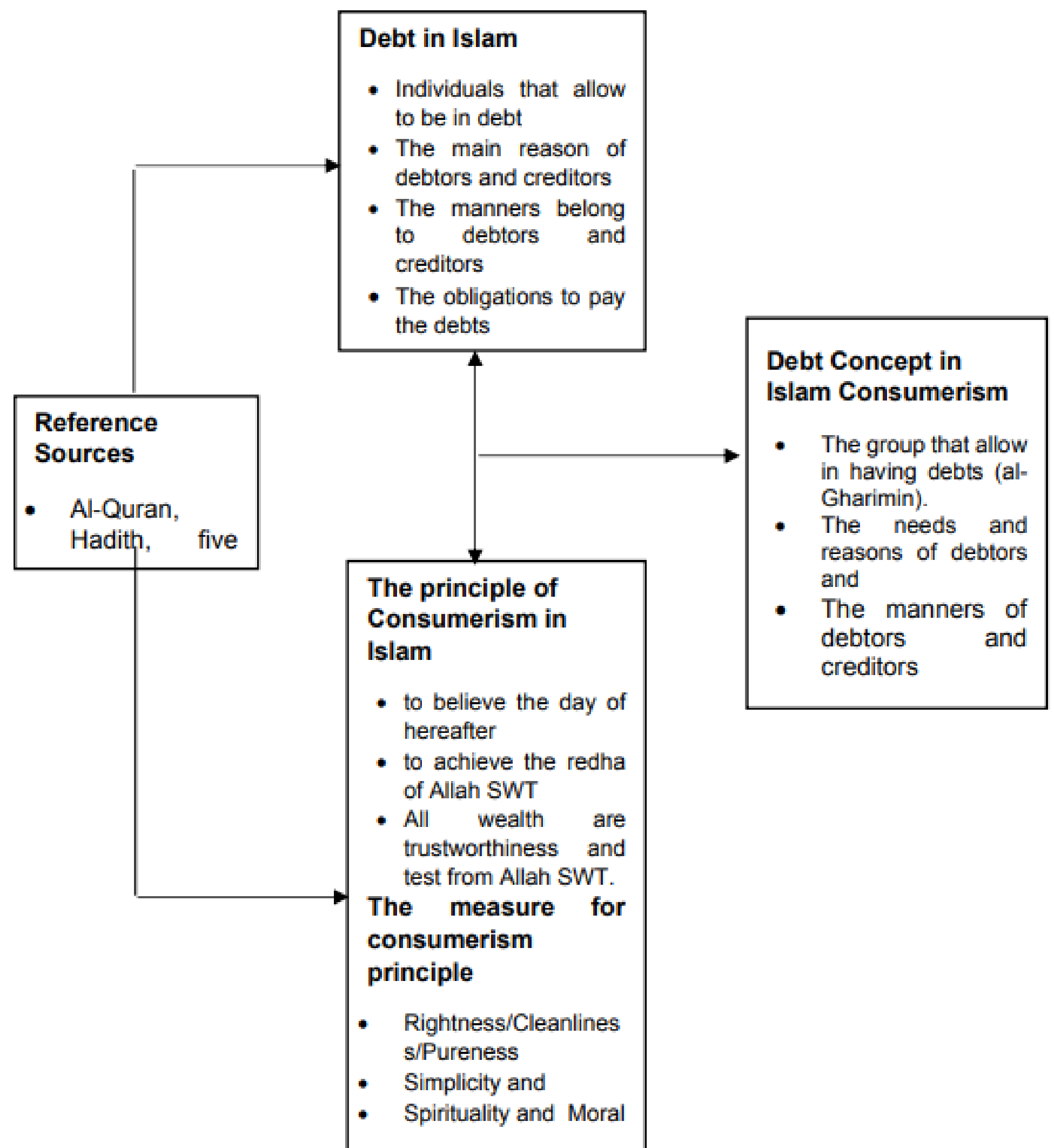
The behaviour of creditors and debtors

The behaviour of creditors and debtors must follow the principle of soul and mora under the usage measurement principle. This principle needs to cultivate creditors and debtors to be grateful with the grace but must think also to the other individuals that not have a chance to from Allah SWT. Every usage but mention the name of Allah SWT. Before begin with the usage the individual must have a patience with the gifted from Allah SWT. The ravenous is not allowed in Islam. All the usage that receives from the debts must synchronize with the value of spirituality and moral.



The Framework of Debt Concept in Islam Consumerism

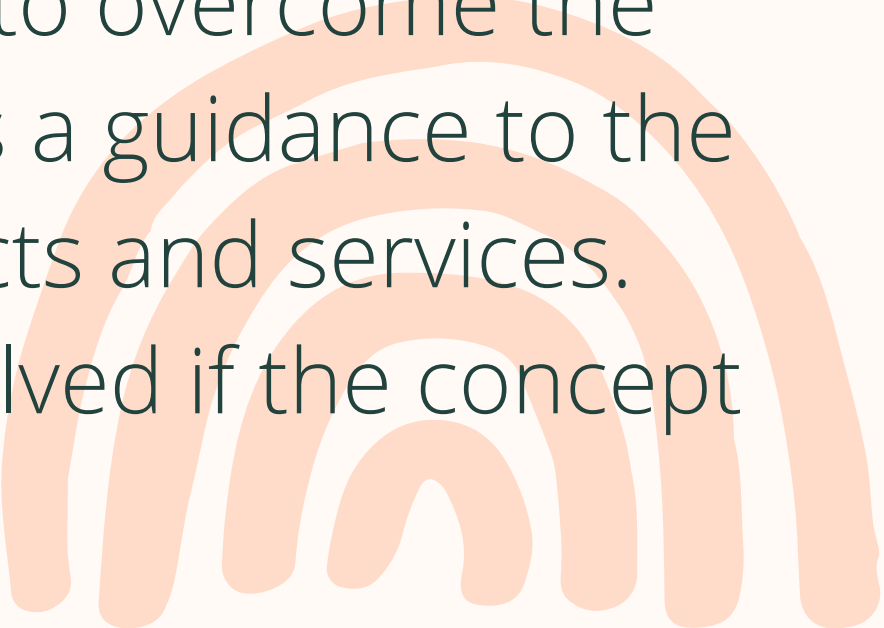
ACCORDING TO THE ANALYSIS, THE PRINCIPLE OF DEBTS AND THE PRINCIPLE OF USAGE ISLAM, ONE CONCEPT IN ISLAM USAGE CAN BE DEVELOPED AND SHOWED VIA FIGURE 5.1 AS BELOW:





Conclusion

Based on the Muslim consumer's behaviour that consist of the above matter, the Muslim consumer need to know how to develop the consumer's behaviour. They need to know how to allocate the income with the knowledge of economy consumerism. This is because, in the conventional economy, the concept of buying is depending on the choices with the maximum satisfaction. Hence, the value of products and services in the principle of economy in Islam, is based on the target of the individual that aim for al-falah, devotion or the responsibility as a khalifah. From this approach, the principle of consumerism of economy in Islam aid the society and government to overcome the unhealthy consumerism and unbalanced of expenses. This is good as a guidance to the Muslim as a worship to Allah SWT toward the usage of daily products and services. Therefore, the debt problems among household consumer can be solved if the concept of Islam consumerism is practiced by the Muslim.





*Thank
you*